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*Photo: Green Mice - University of Hawaii's cloning research
Source: University of Hawaii at Manoa Research Relations*

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Trade Invest Monthly

Hawaii's International Business Network

HAWAII NOTICES

ChinaTech 2002 scheduled for January 11-13, 2002, in Honolulu

State of Hawaii and CCPIT will sponsor ChinaTech 2002, January 11-13, 2002 in Honolulu, Hawaii.

China is poised to become the largest wireless and network communication market in the world. China's *Ministry of Information Industry* recently announced that China has surpassed the United States in wireless subscribers, with over 125 million subscribers. This exciting fact has created global recognition for China and will have lasting impacts on the standards to be defined in the future.

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NASA / SBIR Contract Workshops to be held at ITEC 2001

Learn about the NASA Small Business Innovative Research (SBIR) program and how your business can obtain a NASA SBIR contract at this series of free* NASA outreach workshops presented at the Hawaii ITEC 2001 December 6, 2001, at the Hawaii Convention Center. Sponsors for the event include: by *Prisma Pacific, NASA Ames, NASA Far West RTTC, Juniroa, ITEC, City Bank, JTSI, Mana Pacific, Prisma Inc., High Technology Development Corporation, and DBEDT*. The following is a schedule of workshops to be held:

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\$200,000 Available for Community-Based Economic Projects

Approximately \$200,000 in grants is available for community-based economic development and planning projects, technical assistance and training programs through DBEDT's Community Economic Development (CBED) Program.

Eligible organizations include cooperative association or non-profit, community groups that seek to develop sustainable business ventures that serve local needs and communities.

Projects submitted for funding must:

- ? Be compatible with the community's vision, character and cultural values;
- ? Increase the organizational and business capacity of its members and community;

→ (Continued on page 4)

Overseas investors - "Seeking U.S. business partners and investment opportunities in Hawaii."

Local businesses may be able to take advantage of new investment monies through **Hawaii's Immigrant Investor Program**.

Any firm in Hawaii looking for \$500,000 or more and can create new jobs may be eligible to apply for funding through this federal program that has been enhanced by DBEDT.

Any commercial enterprise, be it a sole proprietorship, limited or general partnership, joint venture, corporation, business trust, or other publicly or privately owned business is eligible to enroll.

Both the creation of a new business, and the purchase and recapitalization or reorganization of an existing business, is allowed.

"The opportunities are almost limitless. This

effort to help capitalize business is well worth exploring."

Foreign investors are motivated to participate in the **Hawaii Immigrant Investor Program** because it allows for a combination of immigration plans with new investment projects.

DBEDT matches foreign investors with appropriate local businesses. DBEDT offers information to potential investors on a range of options that will qualify for the program. For more information, contact:

Investment & Business Analysis Branch
Phone: (808) 587-2766 Fax: (808) 587-2787
Email: rb@dbedt.hawaii.gov Web: www.hawaii.gov/dbedt/immi

Worldwide Market Reports

Due to the large number of requests for reports, we have made the request process easier to better serve you. To request reports, send the request form by Fax: (808) 587-3388 or email: tradeinvest@dbedt.hawaii.gov

The report service offered is reserved for Hawaii companies only.

If you are outside of Hawaii and are interested in the reports highlighted in our newsletters, please go to the United States Department of Commerce website, www.stat-usa.com. You will have the choice of ordering the reports you need for a small fee or you can subscribe to their service for an annual fee and have unlimited access to all reports and services. Also, some of these market reports can also be located at the website: www.usatrade.gov

Australia Retail Sector - Update

Source: U.S. & Foreign Commercial Service - Melbourne. In the period 2000/2001, the Australian retail sector has experienced a modest growth rate, but that was somewhat tempered by the September 11 attacks.

The terrorist attacks on the U.S. had an immediate effect on retailing in Australia. Following the attacks, both discretionary and essential spending dipped immediately, with essential spending returning a few days later in the majority of areas.

Although some categories, such as clothing, department stores, and furniture have been struggling as the caution about discretionary income continues, other areas have done well. For example, supermarkets, food, pharmacies, and personal/household retailing are doing well and it reflects the overall health of the economy.

One result of the terrorist attacks is the increase in the cost of freight and insurance, which adds to the cost of importers, and makes imported goods more expensive.

Overall, for the short term, the Australian economy is in healthy shape due to the health of the export sector that has benefitted significantly due to the historically low rate of the Australian dollar. However, in the long term it is likely that the September 11 terrorist attacks will affect the confidence in Australia's export markets, and that could undermine the demand for Australian exports.

Korea – Outbound Travel Market Good Business Opportunities

Source: U.S. & Foreign Commercial Service - Seoul. Prior to the terrorism of September 11, Korea's outbound tourism to the U.S. was experiencing steady growth with 2001 expected to be a banner year.

However, since the attacks Korean outbound tourism experienced a 40-50% drop. Like other countries, the Korean

tourist has a high level of easiness regarding travel to the U.S.

The U.S. continues to be an attractive destination for Korean tourists because of the diversity of tourism opportunities which are not readily available in Korea – including U.S.-style shopping, theme parks, cultural attractions, relatively inexpensive golfing, and scenic national parks. Since Koreans overwhelmingly choose the U.S. as a non-Asian destination, it is expected that the outbound tourism to the U.S. will eventually recover.

The return of the Korean outbound travel industry to its pre-September 11 level, however, will depend on the confidence of the Korean traveling public regarding general security, the events in the Afghanistan, and the full and rapid implementation of an improved U.S. airline safety program.

Philippines – Cosmetics Market Overview

Source: U.S. & Foreign Commercial Service – Manila. With a population of 77 million and a high receptivity to U.S. products in the Philippines, it is not surprising that the U.S. market share for imported cosmetics is 39%.

From an overall perspective, with a 33,730,000 female population base, approximately 15% of that base, or slightly over 5 million females can afford to purchase imported make-up products.

Couple that with the changing economic status of women in the workplace, the improvement in their purchasing power is creating an increased demand for consumer goods, and cosmetics is one of those consumer goods that benefit from this shift.

The cosmetic products with the best potential are make-up preparations for the skin (such as colored pressed powder, liquid foundation, rouges and blushers), and preparations for skin care (astringents, cleansers, toners and moisturizers).

Companies wanting to introduce new

NET PROFITS AND PROPHETS

Save Time and Money Participate in Shipper Association

Source: Western United States Agricultural Trade Association (WUSATA)'s *Western Agri-Export* – October 2001 issue. Food exporters with considerable shipping volume may wish to consider joining the Food Shippers Association of North America (FSANA).

As a member-owned, non-profit organization founded in 1996, FSANA allows shippers to pool their export volume with the purpose of negotiating competitive shipping rates with the major shipping lines.

According to the association literature, the members receive the following benefits:

- ? Staying in tune with what is going on in the world of international shipping;
- ? Saving money as the association can often secure lower shipping costs – better than what companies can individually accomplish; and
- ? Saving time as the association assists in finding the best rates possible.

There is an initial investment to join the association – a \$500 association cost – so companies must make sure that they ship enough volume to offset the investment.

There is also another thing to keep in mind. Members of FASNA cannot enter into another contract with another line.

More information on the association is available through www.fasna.org.

Changes in Regulations for Shipping Air Cargo After the September 11 Attacks

New emergency regulations for air cargo have been put in place by the FAA after the September 11 attack. These regulations, effective October 8, are indefinite and may be permanent. The airlines are taking this very seriously and are adhering fully to the directives with no exceptions. Because of the sensitive nature, these regulations will not be published. For more information on necessary definitions, the new regulations, and their impact, exporters should check with their direct and indirect air carriers prior to making any shipment overseas.

These new regulations will affect companies that ship their product directly by passenger airlines and those that are

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Net Profits and Prophets*(Continued from page 2)*

new-to-market or infrequent exporters. In particular, the fresh produce industry could be tremendously affected. The regulations may also force companies to change the way they ship their products, and may also encourage them to utilize the services of indirect shippers. This may disproportionately affect rural enterprises that do not have geographical access to direct and indirect service providers.

Japan – Import information for Various Product Sectors

Source: Japan External Trade Organization (JETRO). For new-to-market businesses and individuals, JETRO provides import and market information for a wide variety of product categories.

The next set of product categories that may be of interest to Hawaii companies are as follows:

- ? Fruit juices
- ? Fresh and frozen vegetables
- ? Tuna
- ? Umbrellas
- ? Furniture
- ? Natural Medicines

Other product categories will be announced in future issues. Specific reports are available upon request.

Malaysia - 2002 Budget Duties Reduction on Imported Food Items

Source: U.S. Department of Agriculture – Kuala Lumpur. The Malaysian 2002 Budget presented on October 19, 2001, showed a generous reduction in duties for some categories of imported food products.

The import duty on 44 food products have been reduced anywhere within a range from 20% to 1%.

Of interest to Hawaii exporters is that there was a reduction on 26 fresh and processed seafood items such as roes of marine and freshwater fish, pacific salmon, herring, and cod. There was also an earlier reduction in duties in 2000 for other seafood items such as salmon, lobster, oysters, scallops, and mussels.

Another area in which duties were reduced is in fresh, dried, and processed fruits.

Philippine Cosmetics*(Continued from page 2)*

products into the Philippines market should find a distributor who has distribution access in department stores, drug stores, and other specialty stores. A distributor is also important as it handles all aspects of importation from registration, to obtaining a license, and to clearance for the products. Distributors must register with the Bureau of Foods and Drugs before beginning operations.

Print and broadcast media are important when introducing a product, as it will help build brand awareness and product recall.

The Philippines government imposes a 10% tariff duty on imported cosmetics products, as well as a 10% value-added tax (VAT).

BuyUSA.com**Helps Hawaii Business Find Faraway Customers in Minutes**

Source: U.S. Department of Commerce - U.S. Export Assistance Center in Honolulu. The U.S. Commercial Service of the U.S. Department of Commerce has developed a new online business tool called **BuyUSA.com** which enables businesses to locate online, potential trading partners worldwide, reducing costs and waiting time from day or weeks to just minutes.

"We must give local businesses the tools they need to export," said Commerce Secretary Don Evans.

Buyers worldwide can view product catalogs and background information on Hawaii companies that have been pre-qualified by the Commerce Department. To date, more than 14,000 qualified buyers in 112 countries have signed up to participate.

BuyUSA.com is a joint effort between the Commerce Department and IBM Corporation. The BuyUSA.com "click and mortar" service offers online access to worldwide Commerce Department trade specialists who assist buyers and sellers with issues such as regulatory compliance, credit screening, and marketing. U.S. businesses can subscribe to the marketplace for as little as \$300 per year.

For more information on BuyUSA.com, businesses should call the U.S. Commerce's U.S. Export Assistance Center in Honolulu at Tel: (808) 522-8040.

Overseas Opportunities**Asian Development Bank (ADB) Project – Solid Waste Management Project**

Source: U.S. Department of Commerce, International Trade Administration. The following new ADB project is being processed by the ADB, and will be listed for the first time in the November 2001 issue of the ADB Business Opportunities.

Philippines

Project: Metro Manila Solid Waste Management

Project Number: PRC33456-01

Technical Assistance (TA) Grant Amount: US\$600,000

Executing Agency: Metro Manila Solid Waste Management Faspo Bldg., Derr Compound, Visayas Avenue, Diliman, Quezon City

Contact: Corazon PB. Claudio, Senior Adviser for ENR Invest and Special Project
E-mail: cclaudio@denr.gov.ph

Objective: "The proposed TA will identify and formulate feasible integrated solid waste management (SWM) short- and long-term approaches based on present conditions and the socio-economic situation of Metro Manila. The proposed TA will also support ongoing community and local government unit (LGU) efforts in solid waste management, particularly waste minimization and recycling programs, as well as identify new opportunities and pilot programs in these areas. Medical waste management will also be evaluated and appropriate recommendations, including technologies and management systems, will be made.

Asian Development Bank Business Opportunities (ADBBO) are listed on the ADB Website at www.adb.org.

CBED Programs*(Continued from page 1)*

- ? Include the community in membership, decision-making and project development;
- ? Demonstrate outreach efforts and a clear organization;
- ? Demonstrate economic feasibility and measurable impact; and
- ? Have a clear potential to improve the socio-economic well being of the community.

The CBED program and its revolving fund were created by the Hawaii State Legislature in 1990 and are administered by DBEDT. In the past, CBED grants have been given to projects such as aquaculture ventures, cultural tourism programs, new retail stores, employment programs, a native Hawaiian cultural center and farmers' markets.

Deadline for submission of applications is January 15, 2002.

For more information or to request an application, call the following numbers:

Honolulu – Tel: (808) 586-2582

Kauai – Tel: (808) 274-3141

Maui – (808) 984-2400

Hawaii – (808) 974-4000 (extension 6-2582)

Molokai/Lanai – Tel: 1-800-468-4644

Information and application forms are also available on DBEDT's web site at: www.hawaii.gov/dbedt/cbed

U.S. Trade Representative Announces Its Selection for Special Textile Negotiator

Source: Office of the U.S. Trade Representative. U.S. Trade Representative Robert B. Zoellick announced on November 1, 2001 the selection of Kevin Koonce to be Special Textile Negotiator.

As the U.S. Trade Representative's Special Textile Negotiator, Mr. Koonce will have a critical role with the U.S. textile and apparel industries to expand overseas market access.

Prior to joining the U.S. Trade Representative office, Mr. Koonce was the chief textile trade advisor to U.S. Senator Jesse Helms, where he worked closely with all sectors of the textile industry on numerous trade measures.

ChinaTech 2002*(Continued from page 1)*

"ChinaTech 2002 is a premier event to forge new relationships and plan the broadcasting of major announcements with domestic Chinese partners. ChinaTech brings transparency to the

complex China telecommunications market, and further, provokes debate for better global understanding on technology platforms. ChinaTech promises to create a dynamic atmosphere of key communication industry executives and government officials to be engaged in contemporary issues impacting foreigner corporations' ability to enter this lucrative marketplace."

For the first time, Chinese and American firms, will come together to organize ChinaTech 2002. From China are: *China Mobile Communication Association (CMCA)*, *China Electronics Appliance Corporation* (events division of conglomerate *China Electronics Corporation* or "CEC"), and the *China SciTech Foundation (CSF)*.

This is ChinaTech's fourth annual China-focused technology event targeting the most exciting developments evolving from the network communications, information technology, and converging Internet markets.

For more information, visit our website: www.chinatech.org or contact Richard Bahar, of DBEDT at: Phone: (808) 587-2769 or (808) 587-2766 Fax: (808) 587-2787 or by e-mail: RB@dbedt.hawaii.gov

**NASA - SBIR Workshops***(Continued from page 1)***NASA SBIR Panel Discussion**

10:00-11:00 a.m., HCC, Keynote Theater A. A panel of NASA SBIR specialists, Hawaii SBIR experts and Hawaii NASA SBIR winners will present an overview of the SBIR contract process. Ken Cheung from Oceanit Laboratories and Detlev Even from Innovative Technical Solutions will reveal how their local companies succeeded in obtaining NASA SBIR contracts.

Networking Mixer

11:00 a.m. - 12:30 p.m., Prisma Pacific VIP Lounge.

Join us in the Prisma Pacific VIP lounge on the ITEC 2001 convention floor for light refreshments and an opportunity to meet the NASA panel.

How to Obtain a NASA Ames SBIR Contract

12:30 p.m. - 2:30 p.m., HCC, Room 323C. Presented by Don Miskowich, former Vice President for Business Development for Sony Pictures High Definition Center. Together with a team of SBIR specialists, Mr. Miskowich will present an entertaining program unlocking the secrets and pitfalls on the rocky road to obtaining your own SBIR contract.

NASA SBIR Discussions

2:45-4:00 p.m., HCC, Room 323C.

NASA SBIR Website, Resources & Solicitations - (Presented by Marty Zeller, NASA Far West RTTC)

NASA Ames SBIR Program & Topic Emphasis - (Presented by Rosa Tonarelli, SBIR/STTR Manager, NASA Ames Research Center & NASA SBIR Topic Manager (TBD).)

To register go to www.prismapacific.org/sbir.asp For more information contact Mary Hind at (808) 306-6823 or mhind@prismapacific.org.

*Although these NASA Outreach Workshops are free, guests must have a ticket to ITEC 2001 in order to attend the workshops. Pre-registration includes a free ticket to ITEC (\$10 value). Non-registered guests must pay a \$10 fee to enter ITEC and the workshops.

Go to www.goitec.com to register for this year's Hawaii ITEC.

Report Request Form

Trade Invest Monthly
Hawaii's International Business Network

Company: _____

Contact person: _____

Address: _____

City: _____

Zipcode: _____

Telephone: _____

Facsimile: _____

Email: _____

Report(s) requested:

- ☐ Australia - Retail Sector Update
- ☐ Philippines - Cosmetics Market
- ☐ Japan - Sector Information
- ☐ Malaysia - Duties Reductions

OTHER REPORTS (reference issue date): _____

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